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OF NOTE

Ebola scare hits airline stocks

The growing probability of grounded airline flights — coupled with a public that is growing wary of flying due to Ebola risks — is taking a toll on airline company stocks. Shares were trading down 5 percent to 8 percent at the end of last week.

Adobe, with its new building in Lehi, is an example of a company that expanded in Utah in part because of a state incentive. The government agency that administers the incentives program, the Governor's Office of Economic Development (GOED), was criticized last week in a state audit, which found fault with the way the program is handled. GOED countered with a report indicating the program has only a few, minor problems.

GOED responds to audit report

Brice Wallace
The Enterprise

How well is the Governor's Office of Economic Development (GOED) handling its corporate recruitment and retention incentive program? It depends on whom you ask.

GOED was criticized last week in a performance audit by the state auditor's office, which found fault with several elements of GOED's administration of the program. In contrast, an independent review commissioned by GOED found that, other than a few "minor" issues that are "not pervasive," the state agency is complying with ethical, statutory, contractual and procedural requirements.

The core of both the audit and review is the state's Economic Development Tax Increment Financing (EDTIF) program, used to entice companies to place operations in

see AUDIT pg. 5

Recovery slowest since WWII

The current housing recovery cycle has been the slowest of any since World War II, according to a new study from the Bureau of Economic and Business Research (BEBR) at the University of Utah's David Eccles School of Business.

Published in BEBR's latest issue of "Utah Economic and Business Review," the study analyzed the current housing cycle. The study specifically explored the impact of the Great Recession on Utah's housing industry, comparing Utah with the rest of the nation. The current cycle has had a number of unique characteristics: falling housing prices, record levels of foreclosures and underwater mortgages, a shrinking job market and the lowest mortgage rates since the 1950s.

"We've never had sustained housing price declines in Utah," said James Wood, director of BEBR. "We've had one or two years separated with years of growth, but we haven't had a declining year since the 1960s. In terms of new residential construction, the pre-recession peak was clearly too high but the subdued demand and slow re-

see HOUSING pg. 5

Murph's advice: Dig in & swing for the fences

Brice Wallace
The Enterprise

A former major league baseball player urged Utah crowds recently to "swing for the fences" rather than be timid.

In Ogden as part of a three-city speaking tour, Dale Murphy said people should not be worried about failure but instead should be aggressive and "go for it."

Dale Murphy

"I'm kind of like, hey, go up there and swing for the fences. What if you hit it? … That approach, in anything we do, increases the chances of success," said Murphy, most famous for his days with the Atlanta Braves as a two-time National League Most Valuable Player.

Author of the book *Murph*, Murphy spoke in Ogden, Salt Lake City and Logan during Bank of Utah's annual Fall Author Events. As part of the presentation, he noted that not all professions are like baseball, where a player with a .300 batting average — 30 percent success in getting hits — is among the game's elite.

"I mean, if you're a doctor. …" he said, waiting for the laughter. "Maybe 30 percent as a lawyer is pretty good, I don't know. … Just go up there, dig in and swing for the fences."

Now retired from baseball for 21 years, Murphy sprinkled his speech with examples of how baseball is a metaphor for life. That included ways to retain a positive and resilient approach.

"You strike out once in a while. But you've got to get back up in that batter's box, tap that plate and go for it. Swing for the fences," he said.

"My theory of hitting was 'swing hard in case you hit it,' and it works sometimes. I think that's the way we've got to approach it every day. We get in there. Yeah, yesterday was OK, I got a hit here and there, struck out a few times, but today's going to be a better day. And I'm convinced, you call it

see MURPHY pg. 5

Corporate profits and social responsibility can go together, confab hears

Brice Wallace
The Enterprise

If Steve Klass has his way, the Fortune 500 list someday will be replaced with the "Purpose 1000."

Klass, executive director of P3 Utah — business for people, planet and profit — recently told a group in Salt Lake City that the trend of blending business and ecology is happening but not fast enough.

"We're talking about a potential economy that business produces a net positive impact for the community and the functioning of our ecology," Klass said at the Utah Purpose Economy Conference, which also served as P3 Utah's fourth annual Business Sustainability Conference.

"I don't think that's too much to ask. Why shouldn't business be a positive actor in the world? I think there's a trend but it's not moving fast enough. What we're talking about really is the acceleration, because I think it's already happening."

The conference was designed to help with that acceleration, to spread the word about best practices throughout the corporate world.

"You've got to start somewhere," said Bill Wilson, board chairman of P3 Utah. "Utah is ripe for building that purpose economy because I think the values in the state, from an individual level and from business leadership, is in the right place. They have the right intentions. One reason P3 Utah was formed is to take all these good ideas, good intentions, and collaborate and collect them, and start working on very tangible outcomes."

Lt. Gov. Spencer Cox, speaking via video link, noted that a decade ago, only a dozen Fortune 500 companies had instituted a corporate social responsibility program. Now more than half of the list has.

"We're seeing a big increase in that," Cox said. "Part of it has to do with PR — that's the cynical side. But there are many of us in this state, myself included, who believe that it's the right thing to do, that it's the best thing for our employees, that it's the best thing for our communities. …"

Cox cited a study that indicated that 80 percent of consumers say it is important for a corporation to be socially responsible and they prefer to do business with them. And 70 percent of surveyed members of the millennial generation said a company's commitment to the community will influence where they will work.

"The ideas of corporate profits and corporate social responsibility are no longer exclusive," Cox said. "In fact, I believe they are one and the same. And to increase profit, you must show extreme corporate social responsibility. The way our society is changing, we're seeing that it is becoming more important."

Cox acknowledged it can be difficult to get businesses to change their ways, but they must come to realize that being socially responsible will not result in business suicide. "It's just the opposite. We can do that and can thrive as businesses," he said.

During an entrepreneur panel, Stephan Jacob, chief operating officer and a cofounder of Cotopaxi, urged attending companies to spread the word about what is possible regarding sustainability in business.

"We firmly believe in pushing and encouraging other entrepreneurs to consider doing good as sort of a core, a reason why their organizations exist," he said. "Obviously, that is a community effort. It's not something that we can impose on people or that anybody can do alone."

Priyanka Bakaya, chief executive officer and cofounder of BK Clean, said a company's approach needs to be clearly established.

"What really helps is when you start out the company with that vision in mind and make it very clear to customers, employees [and] investors, that this isn't just about profit for us, [that] we want to have a social impact," she said.

"And when you start out a company making that vision clear, some investors will say, 'OK, that's not for me,' and some employees will say, 'No, I just need the paycheck' or whatever. It'll be a little harder and it requires more searching to find those right people, but they are out there and I think eventually it helps you in staying true to that vision over the long term that you set out with."

Jacob said there need not be a conflict between profit and social responsibility. "Doing good" does add costs to a business, which means "less return for the shareholders." However, that thinking involves pure theory, he said.

"If I look at the tangible benefits to us as an organization from being a purpose-driven organization, I think they're tremendous," he said.

A purpose-driven company can attract strong talent, he said. His company had more than 400 unsolicited job applications, from all over the country, in its first four weeks, in part because millennials were "looking for opportunities beyond a paycheck."

What's more, consumers are becoming more aware of sustainability, and being sustainability-focused can build a stronger brand for a company, he said.

"More and more brands are doing this and in some cases there is a certain suspicion on behalf of the consumer that, 'Is this just a marketing gimmick or are you guys really genuinely dedicated to this?' So our perspective is it needs to be genuine. It needs to be at the core of the vision of the organization and then you can use it, to promote it, and there's nothing wrong with that." Doing otherwise, he said, "can backfire pretty badly."

Another panel at the conference focused on advocacy, which can lead to changes in policy to benefit the environment. Advocacy already has helped change policy regarding issues such as immigration reform, marriage equality, LEED-certified buildings, benefit corporations and the use of public lands, according to Bob Farrington of Strategies 360.

And even small companies have a role to play, either individually or as part of a group, speakers said.

"Never underestimate your ability to affect public policy," said Gary Thorup, a shareholder at Durham Jones & Pinegar and a legislative lobbyist. "It doesn't have to be the big boys, it doesn't have to be the big corporations, it doesn't have to be someone who has given thousands or hundreds of thousands in political contributions. The small guy still has a place on the Hill."

"Make no mistake, the business voice is loud and clear and it carries a lot of weight," said Sarah Wright, executive director of Utah Clean Energy. "If I were to go to the Capitol and had this great policy idea, the best data, the best analytics, the best story, it wouldn't mean as much as if I were to go to the Capitol with our business partners, from small businesses to large businesses.

"It's really the mix. If you think you're a small business and it doesn't really carry as much weight, it's still super-critical to have your voice heard."

John Valentine, a former state senator who now chairs the Utah Tax Commission, spoke about the broader impacts of corporate sustainability efforts. Utah's overall economic development could be hindered in the future if air and water quality erode, he said.

"Water resources and air shed, to me, are going to be the two limiting factors to economic growth in Utah," he said. "We have a good environment for tax policy. We have an excellent environment for regulatory policy. We have a very business-friendly state as a whole. But I think our limiting factors are going to be those two natural resources. We have plenty of land, but what we don't have is, we don't have an unlimited supply of water and air shed."

'Mighty 5' campaign wins top honors

The Utah Office of Tourism and its creative agency Struck received top honors from the National Council of State Tourism Directors' (NCSTD) Mercury Awards, recognizing "The Mighty 5" national parks marketing campaign.

The state won two awards: best overall branding and integrated marketing campaign, and best television broadcast advertising.

"The Mercury Awards are the Academy Awards of our business, and the category we won is like getting best picture," said Vicki Varela, managing director of the Utah Office of Tourism, Film and Global Branding. "We are deeply honored to be recognized for our breakthrough Mighty 5 campaign."

The Mercury Awards were established by the U.S. Travel Association to recognize state tourism offices for excellence and creative accomplishment in state or territory destination marketing and promotion.

The Mighty 5 campaign includes targeted broadcast, print, outdoor and digital placements, as well as hand-painted murals in Los Angeles and building wraps in Colorado secured by media partner Love Communications. It features the beauty and accessibility of the state's national parks.

In a research report conducted by Strategic Marketing & Research Inc., the following results are directly attributable to The Mighty 5 campaign launch:

• The campaign reached nearly half of the target audience, or about 5.75 million households.

• It returned $126 in visitor spending for each advertising dollar invested. The 2011 and 2012 non-winter campaigns returned $55 and $68, respectively.

• Nearly 375,000 Utah trips between March and December 2013 are attributable to The Mighty 5 campaign.

The Utah Office of Tourism, an agency within the Governor's Office of Economic Development, promotes out-of-state visitation to Utah through integrated communications, marketing and travel trade initiatives. Tourism in Utah is a $7.5 billion industry, which last year generated $1 billion in state and local tax revenue. The Utah tourism industry employs an estimated 129,000 Utahns.

Gas prices continue to fall; reach lowest point this year

Gasoline prices continue to drop statewide, according to AAA's Utah fuel gauge monthly gas survey. Last week's average price was $3.37, representing a 22 cent decrease from a month ago.

In all Utah metro areas tracked by AAA, Provo is registering the state's lowest pump price, with drivers paying an average price of $3.22 per gallon for unleaded regular gas. Vernal registers Utah's highest price, at $3.58 per gallon. The highest price of gas ever recorded in Utah was in June of 2008, at $4.22 per gallon for unleaded regular.

"Low demand combined with abundant supply has kept downward pressure on global oil prices." said Cynthia Harris, AAA Utah spokesperson. "And with increasing growth of oil production in the United States, the switchover to a winter blend gasoline, and a reduced consumption of fuel nationwide, prices have remained low and could continue to drop as we approach the holiday season."

The national average price for regular unleaded gasoline had fallen for 19 straight days as of the reporting day last week, reaching a low price of $3.19 per gallon. This price represents a new low price for 2014. The price has since crept back up a few cents.

The impact of falling oil prices has many in the oil market wondering whether the Organization of Petroleum Exporting Countries (OPEC) will alter production in order to push oil prices higher. OPEC members are scheduled to meet at the end of November. Additionally, while violence continues in Iraq, market watchers still assess the threat to oil production to be relatively limited.

BioUtah honors contributors to state's life sciences

BioUtah, the industry association for Utah's life science community, has announced the winners of the 2014 Utah Life Science Awards. The Awards will be presented Nov. 5 at a special luncheon at the Grand America Hotel, in concert with the 2014 Utah Life Science Summit.

The 2014 winner of the Willem J. Kolff Lifetime Achievement Award is Theodore (Ted) Stanley. Stanley came to Utah to work with Willem Kolff in 1967. He joined the Department of Anesthesiology at the University of Utah in 1972, and has been a member of the faculty ever since. He has published more than 300 research manuscripts, 250-plus abstracts, and more than 65 chapters and books. Previous honorees include global robotics legend Steve Jacobsen, Nobel laureate Mario Cappechi, medical informatics pioneer Homer Warner, and prominent biotech entrepreneur and investor Dinesh Patel.

Three BioUtah Life Science Community Outstanding Contribution Awards will also bepresented. In addition, BioUtah will present a special lifetime public service award to retiring U.S. Congressman Jim Matheson.

"The winners and finalists from this year's Utah Life Science awards exemplify the highest standards of excellence and service," said Kimball Thomson, president and CEO of BioUtah. "Each person and organization being recognized has played a significant role in building Utah's life science ecosystem. We are honored to join Utah's life science community to celebrate their contributions." The three Utah Life Science Award winners were selected by a panel that included a cross-section of industry, education and government leaders in Utah's life science community. The Kolff Award winner was chosen by a vote open to Utah's entire life science community.

The 2014 BioUtah Outstanding Company Service Award, for "extraordinary achievement and impact on Utah's life science community by an organization," will be presented to BioFire Diagnostics. A global diagnostics innovator and industry leader in automated, integrated molecular biology systems, BioFire was acquired by bioMérieux in January for $450 million.

The Outstanding Individual Contribution Award, which recognizes "persistent heroism, integrity and commitment to excellence at work and in the community," will be presented to Suzanne Winters, director of Intermountain Healthcare's Transformation Lab.

The Outstanding Public Service Award, for "unfailing commitment to improving the business, legislative and regulatory climate for Utah's life science community," will be presented to Tamara Goetz, executive director of the Utah STEM Action Center and assistant dean for external relations at Utah Valley University. Dr. Goetz previously served as Utah's state science advisor.

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Utah becoming more 'Bicycle-Friendly'

The League of American Bicyclists has recognized 10 Utah businesses with a Bicycle Friendly Business award (BFB), joining eight Utah businesses previously given the award and more than 800 businesses nationwide.

The BFB program recognizes employers for their efforts fostering a cycling-friendly atmosphere for their employees, customers and community.

"With this announcement, we have more than doubled the number of bicycle-friendly businesses in Utah," said Phil Sarnoff, executive director of Bike Utah. "This is a strong indicator of the cultural change related to bicycling taking place across the entire state. Bike Utah is pleased to have worked with many of this year's award winners. We applaud all of their efforts in creating a work environment supportive of the health and well-being of their employees as well as the communities in which they are located."

The following Utah businesses were recognized: Salt Lake City Bicycle Collective, Beehive Bicycles, Blue Monkey Bicycles, Wasatch Touring Co., Local First Utah, Salt Lake County, T. D. Williamson Inc., Utah Department of Health, Utah Transit Authority and Wasatch Front Regional Council.

"Visionary business leaders are recognizing the real-time and long term impact that a culture of bicycling can create," said Andy Clarke, president of the League of American Bicyclists. "We applaud this new round of businesses for investing in a more sustainable future for the country and a healthier future for their employees."

UTA partners in development

Hamilton Partners, the Kachadurian Group and the Utah Transportation Authority (UTA) are partnering to develop The East Village, a $42.6 million lifestyle community in Sandy. The mixed-use, transit-oriented development is the first joint development of its kind in the nation, created in partnership with a regional transit authority.

Development partners broke ground on Phase I, the multifamily component, of The East Village during a ceremony recently.

"The East Village is not just a place for people to live. It is designed for people who seek an active lifestyle," said Bruce Bingham, a founding partner with Hamilton Partners. "We are creating a community unlike anything Utahns have ever seen. The East Village offers direct access to the TRAX station for residents who want an easy connection to the region, as well as interesting places throughout the property for residents who want to interact with friends closer to home."

The heart of The East Village community is a UTA TRAX light rail station, which is located in the center of the development.

"The East Village has the potential to completely redefine how residents commute throughout the Salt Lake Valley, and UTA wants to be part of this transformation," said Michael Allegra, general manager for UTA. "It is our hope that more developers will see the demand for, and the value of, creating projects that provide residents with easy access to public transportation. Working together, we can provide a less stressful commute for employees, as well as improve our region's air quality by reducing the amount of traffic on our roads."

The East Village's lifestyle amenities include a party room with a gourmet kitchen which will be used for resident cooking classes and specialty tastings, a theater and gaming center, Internet lounge, café, fire pit lounge and pool. An advanced fitness center, yoga studio and community garden are also included.

The community is expected to be completed during the fourth quarter of 2015.

New firm buys SLC's rSmart

Salt Lake City-based KualiCo, a newly formed company focused on open source administrative solutions for higher education, has acquired rSmart's software-as-a-service (SaaS) business. A team of employees, including rSmart co-founder and CEO Chris Coppola, will join KualiCo. The specific terms of the agreement were not disclosed.

Following a series of community meetings, the Kuali Foundation announced in August a shift in the community's model and the addition of a new commercial entity led by CEO Joel Dehlin, who most recently served as the chief technology and product officer for Instructure.

"There is a growing number of colleges and universities, including Kuali adopters, that are exploring cloud-based administrative solutions. With the rSmart SaaS acquisition and our team of engineers, we now have the expertise, products and customers to quickly move forward with KualiCo's mission," Dehlin said.

AUDIT
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Utah or expand in the state. The program can provide a company with a tax credit of up to 30 percent of new state tax revenue created by a project over up to 20 years, with the company receiving the credit after it has reached job-creation benchmarks.

The audit said the EDTIF program lacks oversight and transparency. Among its critiques are that GOED has gradually reduced the requirements for incented companies since 2008, that GOED in 2010 began counting health benefits toward wage calculations for companies getting an incentive, that companies are required to create only a fraction of projected jobs to receive an incentive, and that GOED has reported misleading figures for wages and job projections for companies receiving incentives.

The audit report, available at http://auditor.utah.gov/news, includes 32 recommendations for GOED and the legislature, including clarifying the incentives statute; instituting moves to ensure that the program is administered consistently, fairly and equitably; and having more accountability of the program.

Speaking about the report last week at a meeting of the legislature's Executive Appropriations Committee, auditor officials noted that the changes are needed because of potential growth of the program. Since 2006, GOED has committed more than $600 million in corporate incentives, but the figure could reach $1.3 billion by 2024.

Chris Otto, performance auditor supervisor, said consistency is needed in GOED's policies and procedures. He said GOED has inconsistently applied certain techniques to some underperforming companies to justify the issuance of tax credits.

"Our main concern … is these techniques are done absent any policy or procedure," said David Pulsipher, performance audit director. "Therefore, we're concerned such techniques may be applied inequitably, inconsistently, and may potentially open the state up for future lawsuits."

Otto said state statute allows GOED to develop rules, policies and procedures, but "GOED instead chose a maximally flexible approach allowable within the broad parameters of statue to manage the EDTIF program." He voiced concerns about the latitude and rationale for incentive amounts and time periods.

But Val Hale, GOED's new executive director, said the program's post-performance element — awarding the tax credits after the jobs are created — and its statutorily granted flexibility are the main reasons for the program's success.

"The program would not work without the ability to maneuver and tailor incentive offers to specific companies," he told the committee. "There is no one-size-fits-all method of recruiting and retaining companies in the global business-recruitment arena."

Whenever GOED has adjusted incentives contracts with companies, those changes benefited the state, he said.

"We acknowledge the auditors have heartburn about the latitude [that] statute gives GOED to administer the program," he said. "But remember, flexibility is the flywheel that keeps the program operating in today's fiercely competitive and dynamic global economy."

Rep. Rebecca Chavez-Houck, D-Salt Lake City, questioned whether the flexibility is too great. "What I'm seeing here is a very large discrepancy between discretion and accountability. … I understand there needs to be some nimbleness, but nimbleness on the backs of the taxpayers is something that some of us are not very comfortable with," she said.

Hale said GOED is meeting statutory provisions and has already implemented or will implement some of the audit recommendations. Meanwhile, the Executive Appropriations Committee advanced the matter to an interim legislative committee.

During his testimony, Hale lauded the success of the incentive program, saying it has led to the creation of nearly 13,000 jobs over the past eight years and $128 million in net new tax revenue during that time.

"I can tell you that Utah's program has done such a great job of attracting and keeping companies in a very competitive environment, that several other states have looked at our program and copied all or parts of it," he said.

As for EDTIF, "it's been a great tool to pull Utah out of the Great Recession. Now, are there things we could have done better? Absolutely."

A few days before the committee meeting, the GOED board received a report from Tanner LLC indicating that Tanner found only minor errors in its sampling of the EDTIF program. Some were likely the result of clerical errors or rounding and in some instances benefited the state.

With those exceptions, "we did not encounter any instances of non-compliance with relevant ethical, statutory, contractual, or procedural requirements," Tanner said in its report.

Tanner said GOED appears to be overly conservative in its job counts by not including new jobs created and filled by contracted employees.

The firm recommended that changes to incentive payouts or amendments to EDTIF contracts need advance approval from the GOED board, and it called for GOED to add more staff to handle the growing program.

As for the program's flexibility, "based on the results of our procedures, GOED management used that flexibility judiciously," Tanner said.

"We have no substantive findings with the administration and reporting of the EDTIF program," Tanner partner Kent Bowman told the GOED board. "We're not here to cheerlead; we're independent. But just for all of you to be aware, that is a tremendous result and I think you, as members of the board, should be pleased with that."

Bowman called the competency of GOED staffers "very high." "And, quite frankly, we came into this a little bit suspect of that. We were impressed," he said.

Mel Lavitt, the board's chairman, described GOED as "as good as any investment banking firm …. I know we'll keep up the work and I know we're going to get better and better."

GOED's administration has undergone changes in recent weeks. Hale succeeded Spencer P. Eccles as executive director. Eccles rejoined the private sector. Kimberly Henrie became deputy director, succeeding Sophia DiCaro, and also has the title of chief operating officer. DiCaro is campaigning for the Utah House of Representatives. Theresa A. Foxley became managing director of corporate recruitment and business services. She succeeded Christopher Conabee, who subsequently was appointed as a member of the GOED board.

HOUSING
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covery is worrisome."

Although Utah's housing market has struggled, its real estate industry has fared better. Existing home sales in some Utah counties have recovered 80 percent from the pre-recession peak and the median sales price of a home has fully recovered.

The study, titled "The Great Recession: Utah's Homebuilding and Real Estate Sectors," uncovered the following notable findings:

• In the first quarter of 2010, the percent of mortgages in foreclosure in Utah hit an all-time high of 3.3 percent, comprising 14,900 mortgage loans. By the first quarter of 2014, the percent of mortgages in foreclosure had dropped to 1.2 percent of all mortgage loans, comprising a total of nearly 5,000 loans. Historically the percent of loans in foreclosure is 1 percent.

• In 2010, Utah ranked 11th among all states in the percent of mortgage loans with negative equity, with a total of more than 93,000 loans. However, by the first quarter of 2014, the state's ranking had dropped to 38th, decreasing to a total of just over 29,000 underwater loans.

• Millennials have postponed forming households due to declining housing affordability, which has resulted in reduced demand for housing.

• Those households with low to moderate incomes were hit hardest by falling housing prices. The ZIP codes in Salt Lake County with price declines of more than 30 percent were almost exclusively those with relatively low-priced homes.

MURPHY
from page 1

what you want — self-talk, positive thinking — it helps you mentally address the challenges that we have, whatever they may be in life."

Murphy said his early days in professional baseball were challenging, forcing him to learn how to deal with failure. Most of the time, he said, he was giving himself a pep talk. Some people handle difficult times poorly by panicking.

"You've got to figure out, in your mind, how you're going to get through it. When I think about our everyday experiences, and what we go through, most of the time, every day, it's not a home run. Hopefully, you get a base hit. Hopefully, you do a few things right.

"But life just is not always hitting a home run to win the game every day. To me, that's what we've got to figure out: What do we do?"

One approach that worked for Murphy was trying to remember that current circumstances do not dictate the future. He also tried to remain positive and was aided by positive managers, one of whom told him once: "If that ball hadn't taken a bad hop, you would have hit it."

Among Murphy's managers were a pair of Hall of Famers, Bobby Cox and Joe Torre. Rather than using fear as a motivator, both encouraged him to forget about his mistakes, giving him the confidence needed to excel.

"That takes a lot of guts for a leader, that takes a lot of guts for a manager, to do that. But how else are people going to learn how to succeed? Because remember, life and baseball, mostly it's not very good. Sometimes it doesn't work. We need to be mentors and friends and leaders and give people chances and tell them to shake it off and be ready to go tomorrow."

The founder of the "I Won't Cheat Foundation," Murphy also discouraged people from bending the rules or breaking the law. That can be a tough sell for children, who might believe they will get an "A" on a test if they cheat, he acknowledged.

"If you want to bend rules and bend your ethics a little bit, I'm not going to tell you you're not going to make more money, but in the long run it's going to be the wrong decision," he said. "In the long run, what you want to do is to be able to look back and say, 'I did it the right way.' And that simple phrase, I think, is a powerful thing."

Industry Briefs

AGRICULTURE

• The **Utah Farm Bureau** is calling on the United States Forest Service to fully withdraw a proposal to "federalize the waters of the states" through its proposed Groundwater Resources Management Directive. The Utah organization took the stance based on what it considers a lack of Congressional authority and the "tremendous damage and uncertainty the directive would create for 150 years of water law, private property rights and the western economy." It said the directive, the first time for a federal government agency to claim authority to regulate the groundwater of the states, is "just the latest attempt by the Forest Service to claim privately held water rights since the Congressionally-panned 'water clause' and 'joint ownership' requirement for ski resorts and livestock ranchers in 2012." Randy Parker, chief executive officer of the Utah Farm Bureau Federation, said the "attempted federal water grab seeks to go around state laws and challenge private property rights while giving the agency unprecedented control over water and its use across the West." In its official testimony, the Utah Farm Bureau called on the U.S. Forest Service to fully withdraw the proposed directive because the agency obviously lacks authority.

ARTS/ENTERTAINMENT

• The **Governor's Office of Economic Development** (GOED) board, at its October meeting, approved three incentives for TV and film production projects. The board approved an incentive of between $711,477 and $889,346 for **Dark Coast Pictures**' "The Flyboys," an action/adventure TV series. The production is expecting to spend $3.5 million in Utah. Principal photography is scheduled for Dec. 1-Jan. 7. The board approved an incentive of between $290,822 and $363,527 for **Cosmic Pictures**, doing business as **Random Acts**, for "Random Acts Season 1." The documentary TV series is expecting to spend more than $1.4 million in the state. Principal shooting will be Dec. 1-March 28. The board also approved an incentive of up to $140,000 for **War Pigs LLC** for "War Pigs," an independent action feature film expecting to spend $700,000 in Utah. Principal photography is scheduled for Oct. 20-Nov. 8.

ASSOCIATIONS

• The **Utah Manufacturer's Association** (UMA) has hired **Matthew J. Holton** as director of operations, a newly created position. He will be responsible for UMA membership recruitment, education and information programs; membership benefits; and he will serve as an additional resource in the government and public relations efforts for the organization. He also will help further the recently created manufacturing supply chain software UtahCAN, which was developed by the UMA. He previously was a White House intern in the Bush administration, staff assistant to U.S. Rep. Rob Bishop, military legislative assistant to U.S. Sen. Mike Lee, and campaign manager for Congressional candidate Mia Love in 2012. Holton graduated from the University of Utah, and most recently was a product manager for Partner Fusion.

Matthew Holton

• **Heather Garbers** has been named to the **Voluntary Benefits Association**'s advisory board. She is a voluntary benefits executive with Leavitt Group's Salt Lake City office, GBS Benefits Inc. She is a voluntary plan expert and works in partnership with a team of health-care consultants to enhance existing clients' benefit packages. Her experience with voluntary benefits includes product strategy, carrier selection, enrollment and administration.

Heather Garbers

CONSTRUCTION

• **IVI International Inc.**, based in White Plains, New York, has hired **Randall Ward** as vice president for national agency accounts. He will be based in Salt Lake City and will serve as a liaison between IVI's architects and engineers and Fannie Mae, Freddie Mac and agency lenders and brokers. Ward has 30 years of industry experience, including 15 years of commercial real estate due diligence experience. Most recently, he was a national practice leader at Nova Consulting Group.

Randall Ward

ECONOMIC INDICATORS

• The quarterly **Trepp Market Snapshot Report**, tracking commercial real estate loans maturing in the next 12 months, indicates there are more than 340 loans maturing in the next 12 months in the Mountain region, with a total balance over $3.3 billion. Nevada accounts for over $1.5 billion of the total. The Mountain region carries $20.9 billion in outstanding commercial mortgage-backed securities (CMBS) loan balance, accounting for nearly 4 percent of the national total. About 16 percent of the region's balance is due to mature during the next 12 months, which is the largest proportion among regions. A little less than one-fifth of those maturing loans are delinquent, while three-quarters are deemed "healthy." Among states in the region, Nevada had 31 loans with $1.5 billion maturing in the next year, followed by Colorado, 16 loans, $151 million; and Idaho, Montana, Utah and Wyoming, with three or fewer delinquent loans each. Utah had two, totaling $16 million. Among 256 Mountain region healthy loans maturing, 45 are in Utah, totaling $304.3 million.

GOVERNMENT

• **Virginia Pearce** has been named film commissioner for the state of Utah. The Utah Film Commission is part of the Governor's Office of Economic Development's Utah Office of Tourism, Film and Global Branding. Pearce has more than 15 years of film experience at Sundance Institute and Spy Hop. Pearce has been director of marketing and community programs at Spy Hop, a Salt Lake City-baed program that mentors young people working in digital media arts, where she directed all external relations and community programming. Previously, she served as associate director of artist relations and community programs at Sundance Institute. Pearce got her start as a commercial photographer and worked in Seattle, Maine, Boston and Paris.

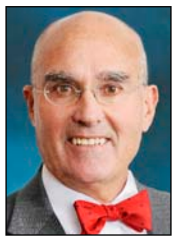
• President Barack Obama has appointed **Jody Williams** as a commissioner of the **Bear River Commission**. Williams is a partner at the law firm of Holland & Hart LLP, Salt Lake City. Formed in 1958, the commission carries out the provisions of the Bear River Compact, which involves Idaho, Utah and Wyoming regarding the distribution and use of the river's water. For more than 30 years, Williams has focused her practice on water law and helping clients navigate the complexities of doing business in the Mountain West. Williams was appointed by President Clinton, and reappointed by President Bush, to the Utah Reclamation Mitigation Conservation Commission, a federal agency responsible for mitigating environmental impacts from developing Utah's Colorado River apportionment by the Central Utah Project.

Jody Williams

• **West Valley City** has hired **Jeff Jackson** as a business development manager. Jackson previously was the manager of land acquisition and development at Oakwood Homes. He received his undergraduate degree in business management from Utah Valley University and a master of real estate development from the University of Utah.

INSURANCE

• **The Buckner Co.** has hired **Robert F. Atwell** as healthcare practice leader. His primary focus will be directed toward serving the region's diverse healthcare community. Atwell has 40 years of experience in underwriting, risk and claims management, and risk evaluation.



Robert Atwell

• **Moreton & Co.** has moved from 709 E.South Temple to a new, larger location at 101 S. 200 E., Suite 300, Salt Lake City. The office is on the third and fourth floors of the Boyer Building, which was designed by FFKR Architects, and the interiors were completed by CCG Howells. The 104-year-old company is in its fourth generation of ownership, with Bill Moreton as the current president. It has offices in Sandy, Logan and Vernal, as well as Boise; Denver; and Madison, Wisconsin, with nearly 200 total employees.

LAW

• **Holland & Hart**, Salt Lake City, has hired **Christopher R. Esseltine** as of counsel in the firm's Salt Lake City office. Esseltine has nearly 10 years of healthcare-focused practice, having represented pharmaceutical and device companies, trade associations, hospitals, physician groups, managed care facilities, and health plans. Prior to joining Holland & Hart, Esseltine founded Mardoc Consulting and advised various healthcare provider clients on a contract and in-house counsel basis for more than five years. He

Chris Esseltine

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BRIEFS

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practiced healthcare law at Arent Fox in Washington, D.C., for several years after working as counsel at the Pharmaceutical Research and Manufacturers of America (PhRMA) trade association. His education includes a B.A. from Brigham Young University.

• **Callister Nebeker & McCullough** has combined its Sugar House and downtown offices at one site: 10 E. South Temple, Suite 900, Salt Lake City.

• The Provo office of **Durham Jones & Pinegar** has relocated to a new building in Thanksgiving Park, Lehi. The office at 3301 N. Thanksgiving Way, Suite 400 includes increased meeting space, top-of-the-line technology and improved access for clients. The office includes 16 attorneys and more than 15 staff members. The firm had been in the Provo office since April 2013. An open house for the Lehi office is scheduled for 4-7 p.m. Nov. 13. The firm also announced that associate **Michael J. Thomas** has joined its St. George office. He will practice in the firm's litigation section and will focus on contract disputes, professional liability, product liability, insurance defense and fraud claims. Thomas also has experience in alternate dispute resolution, having negotiated settlements at mediation and represented the prevailing party in multiple arbitrations. He received his J.D. from the J. Reuben Clark Law School and his B.A. in English at Brigham Young University.

Michael Thomas

OUTDOOR PRODUCTS/ RECREATION/SPORTS

• **Vail Resorts Inc.**, based in Broomfield, Colorado, has appointed **Bill Rock** as chief operating officer of Park City Mountain Resort and Canyons Resort, effective Nov. 1. Rock has served at Northstar California Resort as chief operating officer. Rock joined Vail Resorts in 2010 as the chief operating officer at Northstar California Resort and, at that time, was also given oversight of Heavenly and Kirkwood mountains. Rock came to Vail Resorts from Intrawest's Snowshoe Mountain Resort in West Virginia, where he was president and chief operating officer since 2005. He also served as chief operating officer at Durango Mountain Resort in southwestern Colorado and, prior to that, held several ski industry leadership positions since 1996. Rock will report to **Blaise Carrig**, president of Vail Resorts' mountain division, who will step down as interim leader of Park City Mountain Resort. **Mike Goar**, the current general manager of Canyons Resort and a 30-plus-year industry veteran, will continue his oversight of the resort and report directly to Rock.

Bill Rock

• **Shadow Mountain Recovery**, based in Colorado Springs, has announced that **Trilby Devine** returned to the company as vice president and director of admissions for all programming. Shadow Mountain has six coed facilities in New Mexico, Colorado and Utah. Devine has 36 years of experience in direct care, professional advocacy services, regulatory review and enforcement, program development, admissions and business development in all aspects of addiction treatment and behavioral healthcare. Devine began working in the behavioral health field in 1978, in acute psychiatric care, and since 1997 has been working in admissions and business development for a number of adolescent and young adult programs in both wilderness and residential treatment. She has also worked to develop alternative treatment options as the executive director for a young adult recovery program.

Trilby Devine

PHILANTHROPY

• **RC Willey** in Syracuse recently donated $3,300 to **Make-A-Wish Utah** to help send a 7-year-old cancer patient from Syracuse, and his parents, to the Florida theme parks. The company raised the money by partnering with Make-A-Wish Utah to host an inaugural "Ride for the Kids" bicycle ride. All of the money raised by registration fees and raffle drawings at the 50-mile bike ride from RC Willey in Syracuse to Antelope Island and back, was donated to Make-A-Wish Utah. The company plans to host "Ride for the Kids" to benefit Make-A-Wish Utah on an annual basis.

RECOGNITIONS

• **C.R. England**, Salt Lake City, has been honored with a **SmartWay Excellence Award** from the U.S. Environmental Protection Agency as an industry leader in freight supply chain environmental performance and energy efficiency. The award was presented at the carrier Excellence Awards at the American Trucking Association's annual Management Conference & Exhibition in San Diego. C.R. England was one of 44 carriers to receive the distinction. In the past year, C.R. England has enhanced or adopted additional strategies to improve fuel efficiency in its fleet. It has saved 825,000 gallons of fuel and generating over $3 million in cost savings.

RESTAURANTS

• A **McDonald's** restaurant has reopened at 242 S. 700 E., Salt Lake City, after being closed 116 days following a May 27 demolition and a complete rebuild. Owner/operators are **Jane McKenzie** and **Greg Gruber**. The restaurant has 110 seats of several types, a redesigned double drive-through, outlets for USB ports, free Wi-Fi available inside and out, a Play Place, and a portrait digital menu board at the front counter. It will employ 50 people, with 11 managers. The general contractor of the rebuild project was Keller Construction, which estimates that nearly 300 were employed to work on the project from 28 contractors. The restaurant will have grand opening activities every Saturday through Nov. 8.

• **Chick-fil-A** has opened a stand-alone restaurant at 357 E. 12300 S., Draper. The owner/operator is **Troy Apolonio**, who also operates the South Towne Marketplace store. The new restaurant will have nearly 80 employees and features the chain's newest interior and kitchen design. The new restaurant has seating for 166 inside and 44 at an outside patio. It also has a playground for children, dual drive-through ordering lanes, and free Wi-Fi. It is the third restaurant to open in the metro Salt Lake City area since August, creating nearly 230 jobs, and the fifth restaurant to open in northern Utah this year. The company plans to open 93 restaurants, with 7,400 jobs, this year.

• **Marco's Pizza** has opened at 5510 S. 900 E., Salt Lake City. It is the first for the company in the Utah market. **Jacob Webb** and his father, **Dennis Webb**, have said they plan to open 15 stores in Utah within the next 10 years.

RURAL UTAH

• **World Trade Center Utah** has announced it will host regional forums across the state, beginning with Vernal on Nov. 3. The Vernal event is the first Rural Utah International Business Forum, taking place from 11:30 a.m.-2 p.m. at the Vernal City Office, 374 E. Main St. The free event is limited to 90 people (register at Eventbrite.com). The World Trade Center Utah said the forums will gather stakeholders "in an effort to demystify the process of international expansion and exporting."

• The **Governor's Office of Economic Development** (GOED) board, at its October meeting, endorsed a pair of **Rural Fast Track Grants**. The board endorsed a grant of up to $38,000 for **Legacy Outdoor Adventures**, based in Bicknell, to buy and renovate an existing 3,288 square foot house — vacant for about three years — that will serve as an administrative office and base of operations. The company expects to hire five employees as a result of the $127,000 project. The board also endorsed a grant of up to $30,000 for **Casino Star Theater Foundation** of Gunnison. In a $70,000 project, the foundation plans to buy and install a digital movie projector. The project will retain jobs and allow the continuance of community art and theater programs.

SERVICES

• **Sensory Technology Consultants Inc.**, Morgan, has changed its name to **DynaGrace Enterprises Inc.** The company is a woman-owned, professional services firm. It said the change was spurred by its growth and expanding services to its federal and national clients. The company was founded in 2006 by Linda Rawson, its president and chief executive officer. It was focused on information technology but it has since expanded to broader markets like construction and infrastructure. Its services include engineering services, technical writing, editing and publishing, software engineering, fleet and people tracking, website design and hosting, information technology, renewable energy, building automation and infrastructure to federal and commercial entities.

• **iTOK Inc.**, Lehi, has announced the rebranding of its small-business segment, **Digity**. It is available to small and micro businesses that need tech advisors to help them navigate their technology issues, decide which technologies to invest in, and manage everyday technology in a business setting. Since the company's founding in 2004, iTOK has been primarily focused on the consumer market. Within the last 18 months, it has seen an increasing demand for technology advisors in the small and micro business markets.

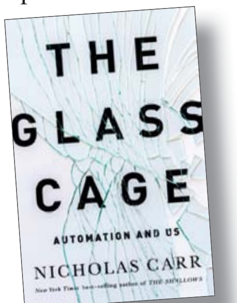
not Strictly Business

These book reviews address automation, innovation and the pursuit of happiness

Each month, 800-CEO-READ reviews the best new business books. Jack Covert, 800-CEO-READ's founder, long-time president and coauthor of *The 100 Best Business Books of All Time*, began the series in the year 2000 and it is now penned by 800-CEO-READ's editorial staff and management. 800-CEO-READ is a leading direct supplier of book-related resources to corporations and organizations worldwide, and specializes in identifying trends in the changing business market. For more reviews, visit http://blog.800ceoread.com/category/jack-covert-selects/.

The Glass Cage: Automation and Us by Nicholas Carr, W.W. Norton & Company, 288 pages, $26.95, Hardcover, September 2014, ISBN 9780393240764. Reviewed by Dylan Schleicher.

Nicholas Carr writes beautiful, big-picture books on the history and future of technologies that have evolved alongside humanity. In *The Glass Cage*, his focus is on automation. The fundamental question, on which popular opinion seems to change with the economic winds, is whether the automated machines we design are labor-saving wonders that will lead us to a technical utopia of increasing leisure and prosperity, or whether they're stealing our jobs and indenturing us in servitude.



The predominant opinion among economists has been that productivity gains generated by machines increase economic activity and create new jobs to replace those lost, ones that are generally not as dirty and physically demanding as the ones the machines took over. And that seems to have been the trend over the long term, with ebbs and flows (tough luck for those trying to find jobs in the ebbs), since the Industrial Revolution began. But the latest economic recovery has often been described as a "jobless" one, and automation may be a big reason why.

Carr explains: "As industrial robots become cheaper and more adept, the gap between lost and added jobs will almost certainly widen. Even the news that companies like GE and Apple are bringing some manufacturing work back to the United States is bittersweet. One of the reasons the work is returning is that most of it can be done without human beings. … A company doesn't have to worry about labor costs if it's not employing laborers.

"As we delegate more and more of our daily tasks at both home and work to machines, it's no longer true that we give up only the rote and burdensome ones. And it's not just that we will lose just our jobs and ability to perform basic tasks as a result, but that we lose the enjoyment that study after study reveals we get out of doing them."

Perhaps, as Carr writes when discussing Robert Frost's formative years on his farm, years in which he produced his earliest and some say his best poetry "The burden of labor ease[s] the burden of life." Carr's writing is at its best here, and I won't spoil it by quoting too much here, but I will suggest that had Frost been in a combine harvester instead of on the ground cutting hay with a scythe, the poetry Carr so eloquently expounds upon would have never happened.

To borrow from another section to explain why, and to explain the book's title: "The experience of pilots … reveals the subtle but often strong connection between the way automated systems are designed and the way the minds and bodies of the people using the systems work. The mounting evidence of an erosion of skills, a dulling of perception, and a slowing of reactions should give us all pause. As we begin to live our lives inside glass cockpits, we seem fated to discover what pilots already know: a glass cockpit can also be a glass cage."

And later on, when discussing how virtual reality applications, digital maps, and other tools we use to control our machines starve our other senses and "greatly restrict the movement of our bodies," he follows up: "When we enter the glass cage, we're required to shed much of our body. That doesn't free us, it emaciates us."

What if the automation we're creating does more, as Carr believes, to "pull us away from the world" than to invest us more directly in it? What will ease the burden of life if we create a world with no labor? Or, I suppose you could ask, what if idle hands really are the devil's workshop? This is not to say that all automation is bad, but that we need to be more mindful of how we design, deploy and *employ* it so that we're truly benefitting from it mentally and emotionally, not just materially. As Carr writes: "The value of a well-made tool and well-used tool lies not in what it produces for us but what it produces in us."

Though important, it's not enough to look at automation just in terms of employment; we have to look at it in terms of a fundamental and deeper human *enjoyment* and *engagement*. And we could all use a little more of that.

Dylan Schleicher is 800-CEO-READ's marketing and editorial director.

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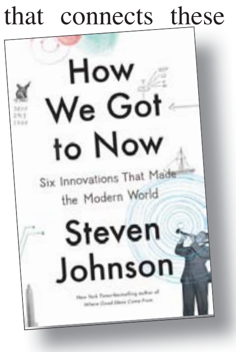
How We Got to Now: Six Innovations That Made the Modern World by Steven Johnson, Riverhead Books, 304 pages, $30.00 Hardcover, September 2014, ISBN 9781594632969. Reviewed by Ryan Schleicher.

Not many writers can craft an engaging 250 page book around seemingly mundane subjects such as glass and freezing, but Steven Johnson (*Where Great Ideas Come From*) has a talent for literary, scientific explanation that connects these subjects to historically important, transformative ideas and innovations. His new release, *How We Got to Now*, continues Johnson's exploration of the "hummingbird effect" — when "an innovation, or cluster of innovations, in one field ends up triggering changes that seem to belong to a different domain altogether" — by revealing how six taken-for-granted technologies (glass, cold, sound, clean, time and light) changed the world.



By employing long-zoom historical context, Johnson reveals how innovations are born out of "collaborative networks" with adjacent possibility, not, as is widely perceived, from lone, genius innovators. In the chapter on sound, Johnson connects a 19th century printer's hobby interest in anatomical drawings of the human ear to our eventual ability to track underseas weapons (sonar) and the ability to determine the sex of our unborn children (ultrasound).

see COVERT next page

The best time to buy travel? It's right now

The question travel agents are asked more than any other is this: "When is the best time to purchase travel?"

Answer: In the fall, for the fall. That is, excluding Thanksgiving week.

I say this in spite of what one person told a travel agent friend of mine: "I don't know why airline prices are so high over Thanksgiving. No one wants to travel then; we all want to stay home."

Problem is, nobody lives where home is anymore. For example, my daughter and her husband are coming home for Thanksgiving. They live in Chicago. They got the best airfare they could find by coming on Monday and going back on Saturday. The Sunday after Thanksgiving is actually the busiest airline travel day of the year in the United States.

So, outside of Thanksgiving week, there are great prices for everything — airfares, car rentals, hotels, resorts, cruises — in the autumn. Travel prices are "Econ 101." It's supply and demand. Prices are higher when the demand is higher. Prices are lower when demand is lower. So, when is high season? Holidays, special events and summer are traditionally peak times for most destinations. And when is low season? Usually October through mid-December (excluding Thanksgiving) and January and February beginning the Monday after New Year's Day.

Now, of course, these rules don't apply to ski resorts. The almost total opposite is true for winter sports lovers.

But where do you find the $299 to $399 seven-day Caribbean cruises? Fall and early winter, except for the holidays.

When are the low hotel prices? Right now. For example, I have been wanting to take my wife to San Francisco with a stay at the Mark Hopkins. Early in our marriage, the first time I took my wife to San Francisco, we stayed at that swanky Nob Hill hotel and had a room with a fantastic view of the bay, Tiburon and the Golden Gate Bridge. Of course, the days were sunny with a few white clouds scattered here and there. When we went for walks, the temperatures were in the 60s and there was a slight breeze. The cable car stopped right in front of the lobby door. It was like a movie.

Anyway, prices today are $200 less per night this fall than at any other time of year.

If you want to go to Cancun, secluded gourmet all-inclusive resorts with private beaches start at $800 per person for five nights. "All inclusive" means air, hotel, transfers, meals, drinks and even gratuities are included — and at places usually costing $1500-plus for the same number of nights.

Even Hawaii packages including air and hotel for five nights are available this fall for anywhere from about $775 to $1,000 per person, including taxes and fees — lower than I've seen in five years. And, of course, these per-person prices in Mexico and Hawaii are based on double-occupancy.

What about saving money by buying at the last minute? That usually doesn't work with travel. Certainly not with airline tickets, because each air carrier only puts a few seats on sale at the lowest prices, and naturally, they are sold first. In the cases of cruise prices, most companies allow you to make a refundable deposit, so if the price goes down, you cancel and rebook at the lower price. I've done this a number of times and saved lots of cash by doing so.

While some last-minute travel packages offer incredible deals, the best prices are usually booked far in advance. This goes especially for a tour that includes air travel in the price. Why? Because the tour companies negotiate special group rates with the airlines, and they are allowed only a certain window of time to fill the seats. If you wait too long, they will have taken back the seats from the tour company, and you will have to pay a higher price than everyone else on the tour.

not Strictly Business

COVERT

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In the Cold chapter, the path to fertility options for would-be parents via frozen embryos went through Clarence Birdsey's ice fishing excursions on the remote tundra of Labrador. Flash freezing of his frozen food products set in motion American southward migration due to air conditioning, transforming the American political landscape and causing vast cities to bloom in the desert.

One of the better illustrations of adjacent possibility sparking innovation comes when Johnson shares a quote from AT&T executive John J. Carty in 1908 arguing that "the telephone had had as big of an impact on the building of skyscrapers as the elevator." Carty wrote: "It may sound ridiculous to say that [Alexander Graham] Bell and his successors were the fathers of modern commercial architecture — of the skyscraper. But wait a minute. Take the Singer Building, the Flatiron Building, the Broad Exchange, the Trinity, or any of the giant office buildings. How many messages do you suppose go in and out of those buildings every day? Suppose there was no telephone and every message had to be carried by a personal messenger? How much room do you think the necessary elevators would leave for offices? Such structures would be an economic impossibility."

As a general reader, I'd read a Steven Johnson book about brussels sprouts; the man simply knows how to put words together. As a business reader, I appreciate Johnson's ability to reframe how we think about business topics. When tackling innovation, Johnson makes us realize that creativity comes from paying attention to what happened before us and what is happening around us across all disciplines and domains, even if, and sometimes especially if, there is no obvious connection to what we're doing, or trying to do. We don't have to be lone, genius innovators because, quite frankly, they don't exist.

Ryan Schleicher is 800-CEO-READ's corporate learning accounts manager and PR director.

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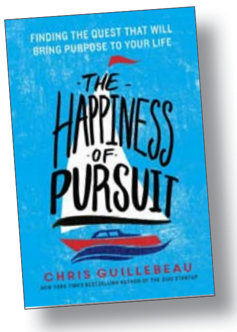
The Happiness of Pursuit: Finding the Quest That Will Bring Purpose to Your Life by Chris Guillebeau, Harmony Books, 292 pages, $25.00, Hardcover, September 2014, 9780385348843. Reviewed by Sally Haldorson.

Chris Guillebeau didn't know he had set out on a quest to travel to every country in the world until he had traveled to the first 50. At that point, he realized he could achieve the kind of goal that at one time might have seemed indomitable. But, Guillebeau writes: "Experience produces confidence, and confidence produces success."

To have traveled the world over, literally, brings to mind a super hero or Indiana Jones-type adventurer, but I've had the pleasure of meeting and talking with Chris and I don't think he would mind me telling you that he is pretty much a regular guy. And that fact is key to the message of *The Happiness of Pursuit,* as well as his other books, *The Art of Non-Conformity* and *The $100 Startup*. Anyone, Guillebeau tells us, can set out on a quest and pursue adventure. And everyone, he assures us, has a calling (in any form, big or small) and the capability to answer that call.



The Happiness of Pursuit drops us directly into Chris Guillebeau's quest. He has arrived in Dakar, on his way to Guinea-Bissau, the only country in Africa he has yet to visit. But this book is less a memoir of Guillebeau's travels, and much more a celebration and recitation of the quests that other "regular" people undertake in an effort to bring meaning into their lives.

Why are we recommending this book to a business audience? Because Guillebeau has long since encouraged people in business to work differently, to push the boundaries of what is comfortable, in order to scratch whatever itch they become obsessed with in the name of innovation, creativity or self-fulfilment. Now Guillebeau extends his encouragement beyond the workplace and, in his humorous and accessible style, argues again that the solution to discontent isn't passivity or fatalism: "Metaphorically, discontent is the match and inspiration is the kindling. When discontent leads to excitement, that's when you know you've found your pursuit."

Intimidated? You needn't be, because the stories told within *The Happiness of Pursuit* range between the everyday quest (Sasha Martin, in a rut in Tulsa, decides to make and serve a full meal from every country in the world for 195 weeks, and Alicia Ostarello, single and frustrated in San Francisco, California, visits all 50 states and goes on a date in each) to the mind-boggling (John "Maddog" Wallace has run over 300 marathons, and Tom Allen took a cycling trip around the world despite little experience biking) to the famous (Chris McCandless' fatal adventure in Alaska) to the manageable (making a "bucket" list and checking off each small change one by one, or setting out to acquire enough rejections—manuscript submissions or just asking for a discount—so that rejection itself doesn't hurt so much.)

Quests can also be inspired by a desire to improve the world. Consider Scott Harrison, who started the nonprofit Charity: Water, or Miranda Gibson, who took up residence in a eucalyptus tree on Tasmania to protest industrial logging. Guillebeau isn't requiring us to lay down our lives; he is simply encouraging us to seek meaning, however that is defined for us as individuals: "Not every calling is religious or explicitly moral. People who are nonreligious, or whose religious practice is more personal, also speak of embracing a calling when they inch closer towards the goals they set. Whether it's writing, crafting, or saving the world, submitting to a purpose greater than yourself can prove fulfilling."

Guillebeau organizes his book in three sections: Beginnings, Journey and Transformation, following the classic narrative arc of adventure stories. Within each section are thoughtful and entertaining chapters, most notably, "Defining Moments," which tackles the sobering topic of mortality as a prime motivator. Guillebeau believes that "the more we're emotionally aware of our own mortality, the more we feel compelled to live with a sense of purpose." And the included stories make clear that we should not wait until the end of our lives to live them.

Many of us feel overwhelmed by the idea of setting forth on a lifelong, or even a yearlong, quest. Guillebeau offers methods to reduce the stress, finance the journey, and manage the details, as well as a handy chart to inspire your own choice of adventures. After all, he has traveled to nearly 200 countries: he knows something about packing light while gaining a world's worth of self-reliance, perspective and satisfaction, all of which he wishes for you, as well.

Sally Haldorson is 800-CEO-READ's general manager, and in-house editor of The 100 Best Business Books of All Time.

Networking works better when you follow the rules

I went to a networking meeting last week hosted by a formal networking organization called Business Network International. Many of you know this group. They have meetings all over the world. This particular chapter meeting was in New York City and was populated by sophisticated business people who were on fire.

NOTE WELL: NYC business people, in general, take no prisoners. This BNI chapter takes no amateurs. And their meetings are exceptionally well structured.

I went as a guest — without an agenda — just to meet people and provide value.

HISTORY: I began my networking career more than 25 years ago, so I consider myself a relatively sophisticated meeting attendee. This particular meeting is a pure networking group, rather than a social networking event, like a chamber of commerce meeting or an association meeting.

The group predominantly meets to give business and get business. My interest was to meet new people and observe how the meeting was run.

Before we get too deep into BNI and the NYC group, I'd like to review some networking imperatives in case you're about to go to one of these meetings.

NOTE WELL: Most people take networking for granted and think of it more as a place to meet friends and clients rather than capture an opportunity. They also fail to realize that people, whether you know them or not, are cultivating an impression of you — not just about what you look like, but also based on how you act and how you dress.

Your physical presence, your physiology and your communication prowess can determine whether the outcome is business or no business.

These are my top 9.5 rules for achieving positive and profitable networking results:

1. **I shake and look.** When I shake someone's hand, it's a firm grasp and a direct look in the eye.
2. **I smile.** Even in New York City. I found that by giving a smile, I get a smile.
3. **I ask before I tell.** Whether I ask for their name, or a simple "how are you?" I want to hear the other person before they hear me.
4. **I give before I get.** I have always tried to make connections for others before I ask for one myself.
5. **I don't make small talk. I make big talk.** I don't want to talk about the weather. I want to talk about life and business life.
6. **I want to make certain that I take a "next step" if the opportunity is there.** Anything from a simple exchange of business cards, to a cup of coffee, to an office meeting, to an invite to a social event — I want to make sure that my objective is achieved before I leave to talk to the next person.
7. **Known or unknown? That is the question.** I prefer to invest the majority of my networking time with people that I do not know. The reason is that I tend to make small talk with people that I know and bigger talk with people that I don't know. My personal rule has always been, small talk leads to small business or no business and big talk leads to big business, or the opportunity for big business.
8. **I like everyone and qualify no one.** If you like people, it's likely they will like you back. If you try to qualify people (by asking them questions about money or circumstance), their guard will go up.
9. **Every connection need not be a sale.** Make friends, build rapport, and provide value to everyone without prejudging or qualifying them. I refer to it as:

see GITOMER next page

Murray apartment complex sold

Gelt Inc., a Los Angeles-based real estate investment and asset management firm, has acquired Murray Ridge Apartments, a 247-unit apartment community in Salt Lake City, for $25.5 million.

Located at 4120 S. 500 E., the complex includes 22 buildings on 10.36 acres. The property was developed in two phases with 103 units built in 1973 and 144 units built in 1977. Its on-site amenities include a fitness center, clubhouse, barbecue areas, business center and swimming pool.

"Salt Lake City is a very hot market that we have aggressively pursued over the past two years," said Keith Wasserman, a partner at Gelt. "We are pleased to acquire this prime property at significantly below replacement cost and at an excellent basis as very little product trades hands and many transactions occur off-market."

The previous owners invested $3 million from 2007 to 2014 in Murray Ridge, including asphalt resurfacing, interior upgrades to some units, renovations to the leasing office and clubhouse areas, and pool upgrades. Gelt plans to make additional capital improvements to some of the units, as well as upgrades to common areas and landscaping.

Wasserman observed that the Salt Lake market offers strong real estate investment fundamentals, including one of the lowest unemployment rates in the nation, highly educated workforce, surging population growth and overall quality of life.

ZAKARIA

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taking it seriously?

That is not how Christianity moved from its centuries-long embrace of violence, crusades, inquisitions, witch-burning and intolerance to its modern state. On the contrary, intellectuals and theologians celebrated those elements of the religion that were tolerant, liberal and modern, and emphasized them, all the while giving devout Christians reasons to take pride in their faith. A similar approach — reform coupled with respect — will work with Islam over time.

The stakes are high in this debate. You can try to make news or you can make a difference. I hope Maher starts doing the latter.

Fareed Zakaria's email address is comments@fareedzakaria.com.

ANDREW

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income tax-free.

Now, I don't recommend that every retirement dollar you set aside be in a max-funded, tax-advantaged insurance policy. But these policies can be a powerful part of your retirement strategy, protecting you from the hit you might otherwise take from big taxes.

Whatever approach you decide to take with your retirement dollars, take the time to explore your options. Because how much more peace of mind will you have if you don't have to worry about increasing taxes eating away at your distributions? Empower yourself so you won't outlive your money, but so you can enjoy your retirement nest egg as long as you live and have more than enough to pass along to your loved ones.

Douglas R. Andrew is a best-selling author, radio talk show host and abundant living coach.

GITOMER

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"the rule of you never know." And "you never know" has no time limit. Sometimes "you never know" happens in a week, and sometimes it happens five years later. That's why it's called "you never know."

9.5. **I am brief.** Time allocation at a networking event is not an option. If there are 60 people in the room and the meeting lasts for one hour, you have one minute per person if you want to meet everyone. If you take five minutes with each person, you can only meet 12 people. The choice is yours, but be aware of time.

I've just given you the parameters, the guidelines and the rules that I have personally been following for 25 years. There are other rules and you can find them in my *Little Black Book of Connections*, but these are the major ones that will make connections, make appointments, build relationships and ultimately make sales.

Next week I am going to talk about why the BNI meeting was incredible, and how you can learn from it. Stay tuned.

Jeffrey Gitomer is the author of 12 best-selling books including *The Sales Bible* and *The Little Red Book of Selling.* His new book, *21.5 Unbreakable Laws of Selling* is now available as a book and an online course at www.gitomerVT.com.

Calendar

__October 20-21__

"Africa's Future in the Global Economy," co-sponsored by the Council of American Ambassadors and the Hinckley Institute of Politics. Location is the Spencer Fox Eccles Business Building Auditorium, 1655 Campus Center Drive, Salt Lake City. Details are at www.hinckley.utah.edu.

__October 21, 7:30-9 a.m.__

Women's Business Center Business Women's Forum (BWF) October Breakfast, a Salt Lake Chamber event. Topic is "From Blogging to Business," featuring a panel discussion featuring Salt Lake City bloggers from fashion, lifestyle and food. Cost is $15 for BWF members, $20 for nonmembers. Details are at slchamber.com.

__Oct. 21, 11:30 a.m.-1 p.m.__

MountainWest Capital Network (MWCN) 2014 Utah 100 Awards, which recognize Utah's fastest-growing companies. Location is Grand America Hotel, 555 S. Main St., Salt Lake City. Cost is $125 for MWCN members, $140 for nonmembers. Details are at www.mwcn.org.

__October 21-22__

"Energy Excursion: Utah's Coal Economy," presented by the Salt Lake Chamber and the Utah Office of Energy, featuring a trip to Utah's coal country and southeastern energy-producing counties. The policy-centered excursion's itinerary will feature a look at unique energy, outdoor recreation and tourism, regulatory, water and rural economic development issues. Cost is $500. Details are available at slchamber.com.

__October 22, 7:30-9 a.m.__

Breakfast of Champions, a Sandy Area Chamber of Commerce event. Speaker is Jon Aubrey, executive vice president of AmeriBen/IEC Group, discussing "Lessons Learned from the Life of Steve Jobs." Location is Jordan Commons Office Tower, ninth floor, 9350 S. 150 E., Sandy. Free. Details are at sandychamber.com.

__Oct. 22, 11:30 a.m.-1 p.m.__

CCIM Chapter Meeting. Keynote presentation, titled "Agency," will be presented by Scott Sabey, a shareholder at the law firm of Fabian & Clendenin. Location is Zions Bank, 1 S. Main St., 18th floor Founders Room, Salt Lake City. Cost is $25 for chapter members, $35 for guests. Details are at http://chapters.ccim.com/utah.

__October 22, 3-5 p.m.__

"Go For No: Building Relationships To Win More Sales," a Salt Lake Chamber Women's Business Center (WBC) event. Location is Salt Lake Chamber, 175 E. University Blvd. (400 South), Suite 600, Meeting Room A, Salt Lake City. Cost is $10. Details are at slchamber.com.

__October 22, 4-5:30 p.m.__

Recycling Brokerage Tour, a P3 Utah event. Location is Interwest Paper, 3975 Howick St. (210 W.), Salt Lake City, where attendees will learn about the recycling services ecosystems and supporting customers in nine states. Free. Registration can be completed at www.p3utah.org.

__Oct. 23, 7:15 a.m.-3 p.m.__

Ninth Annual PTAC Procurement Symposium, presented by the Procurement Technical Assistance Centers (PTAC), part of the Governor's Office of Economic Development (GOED). Theme is "Pencils to Planes: Getting Your Piece of the Government Contracting Pie." Event focuses on government contracting and will feature breakout training sessions, a reverse trade show, keynote speaker Gov. Gary Herbert, and PTAC awards. Featured presenter is Joshua Frank, principal and founder of RSM Federal. Featured speakers are Karen Gunn of the Goldman Sachs 10,000 Small Businesses Program and Natalie Kaddas, general manager at Kaddas Enterprises. Location is South Towne Expo Center, 9575 S. State St., Sandy. Cost is $50, $40 per person for people from the same company. Details are at business.utah.gov/ptac.

__October 23, 8-10 a.m.__

"Create Success: Intellectual Property Protection for Growth Technology Companies." Andrew W. Buffmire and Michael R. Langer, attorneys at Michael Beset & Friedrich LLP, will discuss the increased value of IP assets to a company's worth, protectable IP assets and how they can be protected, the unique qualifications for patent attorneys and why they specialize by technologies, and how to structure a technology enterprise and its IP assets for initial and expanded financing while avoiding the top 10 legal and business mistakes of growth companies. Location is the Economic Development Corporation of Utah (EDCU) board room, 201 S. Main St., Suite 2150, Salt Lake City. Free. Details are at www.utahtech.org.

__October 23, 11 a.m.-1 p.m.__

"Can We Truly Multitask?" a multi-chamber "Business Matters" luncheon with speaker David Strayer, professor of cognition and neural science. Hosted by the West Jordan, Kearns Township, Taylorsville City, West Valley City, South Jordan, Southwest Valley and Jordan Area chambers of commerce. Location is Conservation Garden Park, 8275 S. 1300 W., West Jordan. Cost is $20 with prepaid RSVP, $30 day of the event (space permitting). RSVPs can be completed at info@westjordanchamber.com.

__October 23, 5-7 p.m.__

Business After Hours, a Salt Lake Chamber event. Location is the Natural History Museum of Utah, 301 Wakara Way, Salt Lake City. Cost is $7 for members, $20 for nonmembers. Details are at slchamber.com.

__Oct. 25, 8:30 a.m.-5 p.m.__

Big Mountain Data & SQL Saturday, an event designed to help data professionals learn more about new and existing technologies. Location is the University of Utah's Spencer Fox Eccles Business Building, 1768 Campus Center Drive, Salt Lake City. Details are at www.utahgeekevents.com.

__October 25, 6 p.m.__

Signature Chefs Gala of Utah 2014. Event features the state's culinary masters during an evening of wine, cocktails and dining to benefit the March of Dimes programs in Utah. Location is Grand America Hotel, 555 S. Main St., Salt Lake City. Details are available by calling Tina Baucum at (801) 509-3172.

__Oct.28, 11:30 a.m.-1 p.m.__

Women in Business Luncheon, a Sandy Area Chamber of Commerce event. Speaker is Becky Kapp of Salt Lake County Aging and Adult Services. Location is Country Inn & Suites, 10499 South Jordan Gateway, South Jordan. Cost is $20 for members, $25 for guests. Details are at sandychamber.com.

__Oct. 29, 8:30-10:30 a.m.__

"Five Ways to Grow Your Business in 90 Days," a West Jordan Chamber of Commerce workshop. Location is the Sandy Chamber of Commerce, 9350 S. 150 E., Suite 580, Sandy. Cost is $19. Registration can be completed at Eventbrite.com.

__October 29, 3-5 p.m.__

"Ditch Policies, Build a Culture," a Salt Lake Chamber Women's Business Center (WBC) event. Location is Salt Lake Chamber, 175 E. University Blvd. (400 South), Suite 600, Meeting Room A, Salt Lake City. Cost is $10. Details are at slchamber.com.

__Oct. 30, 11:30 a.m.-1 p.m.__

Networking Luncheon/Roundtable Discussion, a West Jordan Chamber of Commerce event. Location is Chili's in Jordan Landing, 3629 W. Center Park Drive, West Jordan. Details are at westjordanchamber.com.

__November 1, 6 p.m.__

109th Annual Utah Manufacturers Association Awards and Installation Banquet. Activities include a social at 6 p.m., with dinner at 6:45 p.m. Location is Little America Hotel, 500 S. State St., Salt Lake City. Cost is $100 per person, $850 for a table of 10. Sponsorships are available. Registration can be completed at uma@umaweb.org.

__Nov. 3, 11:30 a.m.-2 p.m.__

Rural Utah International Business Forum, a World Trade Center Utah event. Agenda features "Every Business is an International Business," a presentation by Derek Miller, president and chief executive officer of the World Trade Center Utah, and a business workshop titled "10 Tips to Think, Act and Succeed Globally." Event is not just for business leaders but for anyone in the community who cares about the economy. Location is Vernal City Offices, 374 E. Main St., Vernal. Free, but registration is limited to the first 90 people. Registration can be completed at Eventbrite.com.

__November 3-4__

"USTAR Confluence: Where Research Meets Commercialization," a symposium to stimulate innovation, collaboration and commercialization and build entrepreneurial excitement. Event will include science and technology leaders, industry sponsors, angel and venture capital investors and government stakeholders. Location is James L. Sorenson Molecular Biotechnology Building, 36 S. Wasatch Drive, Salt Lake City. Details are available at www.innovationutah.com.

__Nov. 5, 11 a.m.-3 p.m.__

"Hero 2 Hired" Job Fair, for veterans, active duty military members, Guard and Reserve members and military spouses. Event is conducted by the Utah Veterans and Military Employment Coalition; the Utah Committee for Employer Support of the Guard and Reserve (ESGR); Hero 2 Hired; the Utah Department of Veterans' Affairs; the Utah Department of Workforce Services; the Salt Lake, Davis, and Ogden Weber chambers of commerce; the Department of Labor's Veterans' Employment and Training Service (DOL VETS); and the U.S. Department of Veteran Affairs. Location is South Towne Expo Center, 9575 S. State St., Sandy. Free. Details are available by calling (801) 432-4242 or (801) 432-4536.

__November 7, 8:45-11 a.m.__

"Networking Without Limits," a Salt Lake Chamber networking event. Jim Woodard of CCI Mechanical Services will present "Building Better Business Relationships." Location is the Salt Lake Chamber, 175 E. 400 S., Suite 600, Salt Lake City. Cost is $15 for chamber members, $20 for nonmembers. Details are at slchamber.com.

__November 7, 6-9 p.m.__

Utah Technology Council (UTC) Hall of Fame Celebration. Black-tie event will honor individuals with Utah ties who have made global contributions to the information technology and life science industries through new technology, innovation and leadership. Keynote speaker is Marc Benioff, chief executive officer and cofounder of Salesforce.com. Location is Grand America Hotel, 555 S. Main St., Salt Lake City. Cost is $300 for UTC members, $450 for nonmembers. Details are at www.utahtech.org.

__Nov. 11, 10 a.m.-1 p.m.__

Emerging Workforce Study Briefing, a Salt Lake Society for Human Resource Management (SHRM) event. Location is Radisson Hotel, 215 W. South Temple, Salt Lake City. Reservations may be made at SLSHRM.org.

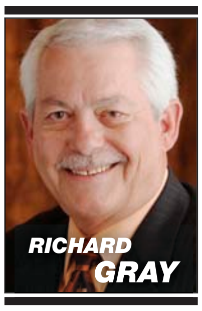
__Nov. 12, 11:30 a.m.-1 p.m.__

Networking Lunch, a Sandy Area Chamber of Commerce event. Location is Sweet Tomatoes, 10060 S. State St., Sandy. Cost is $15 for members, $20 for guests. Details are at sandychamber.com.

__Nov. 18, 8 a.m.-4 p.m.__

38th Annual American Express Women & Business Conference and Wells Fargo Athena Award Luncheon, presented by the Salt Lake Chamber Women's Business Center. Peggy Larsen of the Workers Compensation Fund is the 2014 Athena Award recipient. Pathfinder Awards will be presented to Patrice Arent, Utah State Legislature; Juanita Damon, American Express; Martha Eining, David Eccles School of Business at the University of Utah; and Denise Winslow, Wells Fargo. Awards luncheon is from noon-1:30 p.m. Location is Little America Hotel, 500 S. Main St., Salt Lake City. Cost is $75 for conference and luncheon. Details and registration are available at http://www.slchamber.com/womenandbusiness.

Debunking some of those small business lending myths



With a steadily recovering economy, banks are lending and are looking for qualified borrowers, particularly small businesses. In fact, banks work with the U.S. Small Business Administration (SBA) to offer loans specially geared towards small businesses looking to grow. Despite banks' efforts to get the word out about SBA lending, there are many misperceptions about what an SBA loan is and how it works. Let me dispel some of the myths.

Myth: It takes longer to obtain an SBA loan than a conventional commercial loan.

Truth: Conventional and SBA loans can take a month or more from application to closing, depending on the complexity and collateral being offered. Approval of the loans is where the timing varies. SBA's "preferred lenders" (an official designation by the SBA) can keep the time it takes to obtain approval on an SBA loan to that of a conventional loan. An SBA preferred lender acts as SBA's agent and can obtain SBA approval within 36 hours of the bank's in-house approval. SBA does not do any underwriting and instead accepts the preferred lender's underwriting.

When not working with a preferred SBA lender, though, the myth can hold true, as SBA has to underwrite and approve the loan in addition to the bank's underwriting and approval process. This could take a few weeks longer than a conventional commercial loan or an SBA loan with a preferred lender.

Myth: There is substantially more paperwork for an SBA loan than a conventional commercial loan.

Truth: SBA loans require just two additional pages of paperwork from the applicant than conventional commercial loans do: 1. An IRS request for tax transcripts to verify tax information furnished with the loan application, and 2. A personal history form to verify legal residence and check for criminal background. These simple forms do not pose substantial additional burden over a conventional commercial loan application, which includes sections for the company's present and historical financial info, details on the business model and background on principals.

Myth: My company is too big to qualify for an SBA loan.

Truth: A few years ago, the SBA used size and revenue guidelines based only on industry type, as determined by North American Industry Classification System (NAICS) codes, to qualify businesses for SBA loans. For example, a company in the general building/construction industry with annual revenues up to $33.5 million would be considered a "small business" by SBA standards. Retail and service industries are typically limited to annual revenues of $7 million, while manufacturing and wholesaling industries are typically limited to 500 or fewer employees to qualify for an SBA loan.

However, in late 2010, an alternative size standard was implemented that allows businesses with a net worth less than $15 million or a three-year average net income of $5 million or less to qualify for an SBA loan. These new guidelines serve as a qualifier if a business fails to meet the first definition of small business based on NAICS codes.

Don't be deterred because you think you're too big to qualify. Visit www.sba.gov for additional details before you rule your business out.

Myth: My company's conventional loan cannot be refinanced into an SBA loan.

Truth: Under the regular SBA Guaranteed Loan Program, a lender can consider a refinance or consolidation of existing conventional debt if four requirements are met:

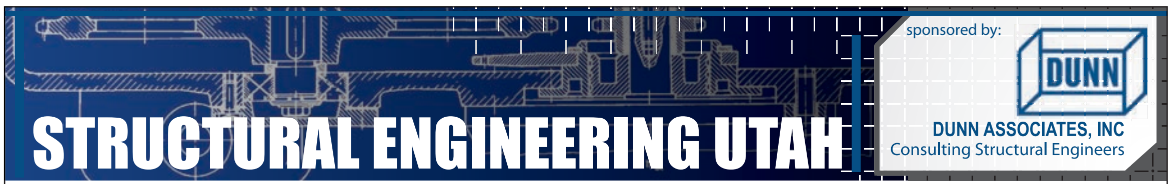
1. The existing lender is not in a position to experience a loss,
2. The debt being refinanced is and has been current for the past 12 months (i.e., no late payments),
3. The new loan reduces the payment debt service by a minimum of 20 percent, and
4. The existing loan should be on what would be considered reasonable terms.

Myth: SBA requires that all assets be pledged to secure the loan (including children, spouse, dog, etc.).

Truth: In most cases the lender determines what collateral will be taken to secure the loan. SBA's regulation states that the lack of sufficient collateral by itself is not a reason for SBA to refuse to guarantee a loan.

Yes, in some cases a small-business owner may have to pledge both business and personal assets in order to obtain a loan, but the lender typically determines this.

Richard Gray is senior vice president of SBA lending at Bank of American Fork.



Of course it is working!

Structural engineers have long been leaders in advancing design and evaluation standards for buildings. However, the profession has struggled to bring about public awareness of the importance of resilience. For example, the public has the general misconception that a building built to modern codes is "earthquake proof." When, in fact, the current code is only intended to produce buildings that avoid collapse in a large, rare event such as a repeat of the 1906 San Francisco earthquake. The possibility that hundreds or thousands of newer structures might be left uninhabitable, nonfunctional and essentially total losses after such an event is nonetheless in conformance with the building code's intent. It is likely, however, that such an outcome would not conform to the expectations of the public, who expect their communities and businesses to rebound quickly. Christchurch, New Zealand was a very recent example of a major city in an earthquake prone area that was subjected to its maximum credible earthquake. Only two buildings collapsed during the February 2011 event, but 70 percent of the buildings in downtown Christchurch have now been demolished.

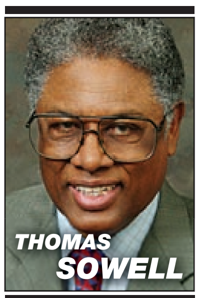
A substantial amount of research, effort and public opinion has gone into the study of how a building impacts the environment. However, very little support has rallied behind how the environment or natural disasters can impact a building. A building uses energy every day and minimizing this usage must be a good thing. The impact and increased energy required to demolish, re-fabricate and erect damaged buildings in Christchurch far exceeded any environmental benefit predicted by more efficient mechanical and electrical systems.

The seismic, wind, blast and progressive collapse resistive elements incorporated within a building structure remain essentially dormant until that event. This can be compared to an air bag in your car. The correct design and construction of an air bag is expected to deploy. This article would not be written if building regulations were as strict as those in the auto industry. Imagine if there were options for varying levels of deployment and resistance for your car's airbag. What level would you purchase? Would you feel comfortable saving money on an inferior airbag system so you could upgrade your stereo system or purchase seat warmers? If you were planning on selling your car soon, would this affect your decision? After all, "your car is working." Don't wait for your building to be tested to see if it's working, too.

Opinion

Just like 1860, third parties are complicating this year's election

Speaker of the House Tip O'Neill once said, "All politics is local." That may have been true in Tip O'Neill's day, but some elections are decisively on national issues — and the congressional elections this year are overwhelmingly national, just as the elections of 1860 were dominated by one national issue, namely slavery.



In 1860, some abolitionists split the anti-slavery vote by running their own candidate — who had no chance of winning — instead of supporting Abraham Lincoln, who was not pure enough for some abolitionists. Lincoln got just 40 percent of the vote, though that turned out to be enough to win in a crowded field.

But what a gamble with the fate of millions of human beings held as slaves! And for what? Symbolic political purity?

This year as well, there are third-party candidates complicating elections that can decide the fate of this nation for years to come. No candidate that irresponsible deserves any vote. With all the cross currents of political controversies raging today, what is the overriding national issue that makes this year's congressional elections so crucial?

That issue is whether, despite all the lawless edicts of Pres. Obama — threatening one-man rule — we can still salvage enough of the Constitution to remain a free, democratic nation.

Barack Obama will be on his way out in two years but, if he can appoint enough federal judges who share his contempt for the Constitution's limits on federal government power in general, and presidential powers in particular, then the United States of America can continue on the path to becoming another banana republic, even after Obama has left the White House.

Pres. Obama understands how high the stakes are, which is why he is out fundraising all across the country — seemingly all the time — even though he has no more elections to face himself. Obama came to power saying that he was going to fundamentally change the United States of America — and he intends to do it, even after he is gone, by giving lifetime appointments as federal judges to people who share his view that this country's institutions and values are fundamentally wrong and need to be scrapped and replaced by his far left vision.

If only Obama's critics and opponents understood this momentous issue as clearly as he does.

The issue is whether "we the people," as designated by the Constitution, continue free to live our own lives as we see fit and to determine what laws and policies we want to live under.

Pres. Obama's vision is very different. In his vision, our betters in Washington shall simply order us to live as they want us to live — telling us what medical insurance we can have, what doctors we can go to, what political groups shall be favored by the Internal Revenue Service with more of the same coming in the years ahead, long after Obama has left the White House.

Critics who deplore Pres. Obama's foreign policies in general, and his weak response to the ISIS threat in particular, as showing incompetence — and who see his incessant fundraising as just a weird distraction — fail to understand how different his priorities are from theirs.

Barack Obama understands clearly that his ability to fundamentally remake what he has long seen as a deeply defective and corrupt America in the image of his far left vision depends crucially on having control of the Senate that has the power to confirm his appointments of federal judges with lifetime tenure. His fundraising is key to maintaining the Democrats' Senate majority.

Foreign policy is subordinated to Obama's overriding ideological vision. The president will not risk losing this year's congressional elections by taking military actions that will alienate his political base. Token military actions can minimize the political losses from other voters.

That people will die while he stalls on military action is a price he is willing to pay. His ordering thousands of American troops into Ebola-infested Liberia shows the same ideologically driven callousness.

The big question is whether those who wish to preserve a free America see the issue and the stakes equally as clearly as Barack Obama does — and see that this is the overriding national issue of our time, with our votes for senators not to be confused by local issues.

Thomas Sowell is a senior fellow at the Hoover Institution, Stanford University. His website is www.tsowell.com.

Maher, Harris muddy the waters with unthinking Islam rhetoric

When television host Bill Maher declares on his weekly show that "the Muslim world ... has too much in common with ISIS," and author Sam Harris, a guest on the show, concurs, arguing that Islam is "the mother lode of bad ideas," I understand why people are upset. Maher and Harris made crude simplifications and exaggerations. And yet, they were also talking about something real.

I know all the arguments against speaking of Islam as violent and reactionary. It has a vast following of 1.6 billion people. Places such as Indonesia and India have hundreds of millions of Muslims who don't fit these caricatures. That's why Maher and Harris are guilty of gross generalizations. But let's be honest. Islam has a problem today. The places that have trouble accommodating themselves to the modern world are disproportionately Muslim.

In 2013, of the top 10 groups that perpetrated terrorist attacks, seven were Muslim. Of the top 10 countries where terror attacks took place, seven were Muslim-majority. Meanwhile, the Pew Research Center rates countries on the level of restrictions governments impose on the free exercise of religion. Of the 24 most restrictive countries, 19 are Muslim-majority. Of the 21 countries that have laws against apostasy, all have Muslim majorities.

There is a cancer of extremism within Islam today. A small minority of Muslims celebrate violence and intolerance and harbor deeply reactionary attitudes toward women and minorities. While some confront these extremists, not enough do so and the protests are not loud enough. How many mass rallies have been held against the Islamic State (also known as ISIS) in the Arab world today?

The caveat, "Islam today," is important. The central problem with Maher's and Harris' analysis is that it takes a reality — extremism in Islam — and describes it in ways that suggest it is "inherent" in Islam. Maher says Islam is "the only religion that acts like the Mafia, that will [expletive] kill you if you say the wrong thing, draw the wrong picture or write the wrong book." He's right about the viciousness, but wrong to link it to "Islam" — instead of "some Muslims." Trust me, Bill, if 1.6 billion Muslims felt this way, you would be dead already.

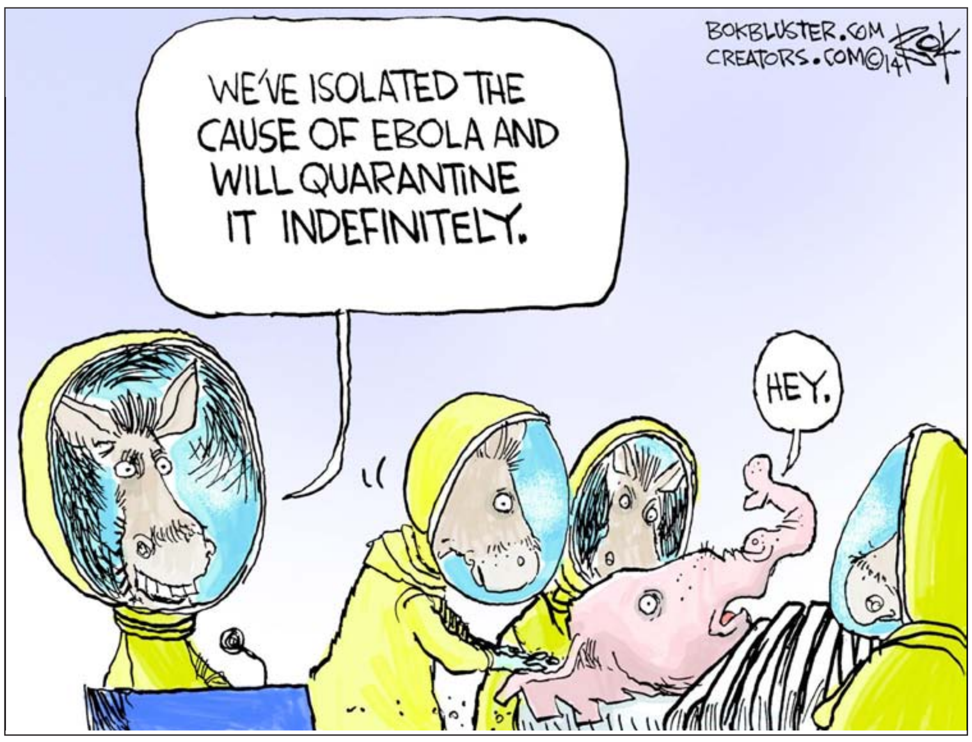
Harris prides himself on being highly analytic — with a Ph.D., no less. I learned in graduate school that you can never explain a variable phenomenon with a fixed cause. So, if you are asserting that Islam is "inherently" violent and intolerant — "the mother lode of bad ideas" — then, since Islam has been around for 14 centuries, we should have seen 14 centuries of this behavior.

Harris should read Zachary Karabell's book *Peace Be Upon You: Fourteen Centuries of Muslim, Christian and Jewish Conflict and Cooperation*. What he would discover is that there have been wars but also many centuries of peace. There were times when Islam was at the cutting edge of modernity and periods, like today, when it is the great laggard. As Karabell explained to me, "If you exclude the last 70 years or so, in general the Islamic world was more tolerant of minorities than the Christian world. That's why there were more than a million Jews living in the Arab world until the early 1950s — nearly 200,000 in Iraq alone."

If there were periods when the Islamic world was open, modern, tolerant and peaceful, this suggests that the problem is not in the religion's essence and that things can change once more. So why is Maher making these comments? I understand that as a public intellectual he feels the need to speak what he sees as the unvarnished truth (though his "truth" is simplified and exaggerated). But surely there is another task for public intellectuals as well — to try to change the world for good.

Does he really think that comparing Islam to the Mafia will do this? Harris says that he wants to encourage "nominal Muslims who don't take the faith seriously" to reform the religion. So, the strategy to reform Islam is to tell 1.6 billion Muslims, most of whom are pious and devout, that their religion is evil and they should stop

see ZAKARIA pg. 11



Opinion

Be careful not to outlive your nest egg: Examining the retirement account shortfall

We know that qualified retirement plans and IRAs are prime long-range savings vehicles — we use them to accumulate assets and invest for the future. So why aren't some of us amassing the retirement nest eggs that we should? Why did retirement account balances decline from 2010-13?

Looking at Federal Reserve data, the influential Center for Retirement Research at Boston College noticed something unsettling. In that period, the average 401(k)/IRAs balance of a household headed by someone aged 55-64 fell $9,000.

Wait a minute – haven't we just witnessed a raging bull market? How could this be?

Moreover, why was the average aggregate 401(k)/IRAs balance of such a household just $111,000 at the end of 2013? These were baby boomers nearing retirement age.

During 2010-13, the S&P 500 jumped 56 percent. On that factor alone, the average total retirement account balance for these households should have swelled to at least $187,000 from the 2010 starting point of $120,000.

That wasn't the only factor in play, however. The CRR's Alicia Munnell — a nationally respected authority on retirement accounts and retirement saving — has pinpointed some reasons for the shortfall. Leaks, loans, fees, interruptions and foreignness. At MarketWatch, Munnell looked at a mock 60-year-old who could have enrolled in a 401(k) plan in 1982. (That was when those retirement accounts first emerged.) This hypothetical boomer was plainly average, earning Social Security's average wage for 31 years while deferring 6 percent of salary into the account.

This boomer's investment allocation? Right down the middle, a 50/50 mix of equities and debt instruments. Throw in a 50 percent employer match during those 31 years, run the numbers using real-life returns across those 31 years, and our theoretical boomer should have amassed $373,000 by the end of 2013. That is 3.36 times as much as the household average noted by the Fed in its 2013 Survey of Consumer Finances — and for an individual aged 55-64, the average total 401(k)/IRAs balance was even lower at $100,000.

Even over 31 years of saving, a $273,000 disparity in retirement assets is too large to attribute simply to the lack of an employer match or a portfolio's allocation. Munnell sees other dynamics promoting the gap.

Do investment fees come into play? Oh, yes. In Munnell's example, fees are the big culprit. Investment expenses (based on data from the Investment Company Institute) eat up $59,000 of the potential balance over these 31 years. So that takes $373,000 down to $314,000.

Loans and other withdrawals exert an effect. The CRR finds that 1.5 percent of retirement plan assets "leak out" annually. Putting that 1.5 percent to work in the example, these leaks cut the mock boomer's total 401(k)/IRAs balance further to $236,000.

Too many people don't (or can't) contribute steadily to retirement plans, so Munnell calculates a 30 percent non-participation rate into the equation. (Since 2000, Vanguard has consistently reported that level of non-participation in its workplace retirement plans.) That leaves $165,000.

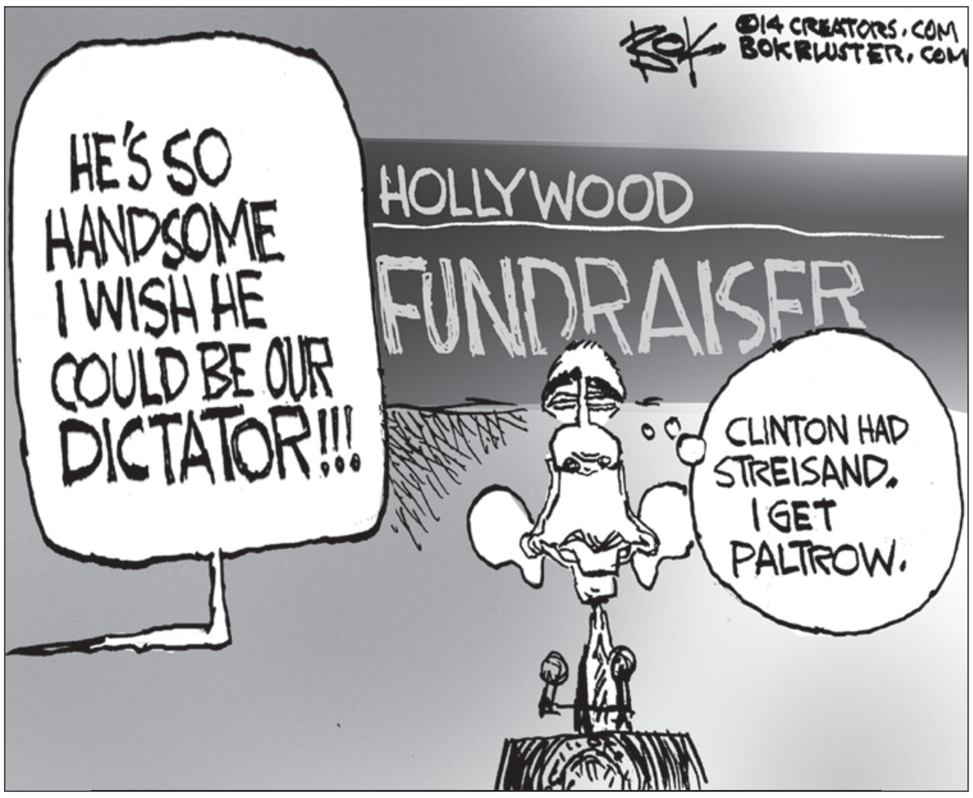
Finally, there is foreignness. It took a while for IRAs and 401(k)s to be fully embraced as default retirement savings vehicles; in the 1980s, contribution rates were lower as a byproduct. Munnell chalks up $65,000 of lost gains to that historical factor to arrive at the average individual total 401(k)/IRAs balance of $100,000 cited by the Fed.

Hasn't auto-enrollment worked? Thanks to federal law, many employers have been able to automatically enroll workers in qualified retirement plans at a 3 percent contribution rate since 2006. The downside of auto-enrollment is that some of the auto-enrolled "set it and forget it," never increasing that contribution rate through the years. This could also factor into the lower-than-expected account holdings.

One asterisk about all this. The CRR only studied working households that held both IRAs and 401(k)s. It didn't incorporate households headed by retirees or households that may have rolled over workplace retirement plan assets into IRAs into its data set.

Regardless of these numbers, we all have to fund our retirements. Some economists and financial professionals are highly critical of the current retirement savings vehicles, but whether they like them or not, it is certain that these retirement accounts offer remarkable potential to grow wealth in the long term through equity investment and compounding. While the center's findings are disconcerting, the takeaway here is that consistent and early contribution, lower fees and avoiding withdrawals can make a big difference in retirement account balances.

Mark Lund is the author of The Effective Investor *and provides 401(k) consulting for small businesses and investment advisory services through Stonecreek Wealth Advisors Inc. in Utah.*



How to protect yourself from unnecessary taxes in retirement

I often talk to people who feel pretty secure about their future — they've got a good nest egg going in their traditional 401(k) or IRA — and they assume they'll have enough to last throughout their retirement years. But one question always comes up: What about the future impact of taxes?

They see the signs — government overspending on everything from war to healthcare, financial instability around the world, chronic unemployment across the country. Doesn't that foretell higher taxes? The answer is most likely a big fat "yes." But then they say, "That's OK, because I'll be in a lower tax bracket when I retire, right?" The answer to this one is likely a big fat "no." Suddenly that sense of security they had about their future? Not so secure anymore. If you're like these folks, you might do well to consider alternative ways to pursue a tax-advantaged retirement.

Let's first look at what happens to most people in their supposed golden years. You may not realize that when you reach retirement, you may lose many of the deductions you once enjoyed, such as home mortgage interest, dependents and retirement plan contributions. And if you're a business owner, you'll be losing even more deductions. Although you may have less income during retirement, your taxable income may be just as high or higher.

If you don't take action to avoid paying excess tax, you'll likely be in for a rather unwelcome surprise during your retirement years, which could result in living a lower lifestyle, or worse, outliving your money. No matter how you look at it, paying less in taxes means keeping more for yourself.

In my opinion, as part of a solid tax-reducing retirement strategy, people should take a serious look at financial vehicles like max-funded, tax-advantaged (MFTA) insurance contracts. Along with their important death benefit, these contracts can be structured to hold money set aside for retirement. When structured correctly and funded properly, these contracts shelter retirees from the danger of increasing taxes.

To illustrate: Let's look at the difference between a 401(k) and MFTA approach. With the 401(k), in order to net $100,000, you would need to pull $150,000 out of your 401(k). In other words, you'd be sending $50,000 (or one-third of your money) in taxes to Uncle Sam. With a properly structured MFTA insurance contract, a loan of $100,000 equals $100,000. Zero dollars go to taxes. (A loan on your MFTA is one of the ways to access the money in your policy — a larger topic for another day.)

You see, money put into these insurance contracts has already been taxed at today's rates, not tomorrow's. With tax rates likely going up in the future (to unknown amounts), getting taxes over and done can be financially critical. Another advantage? Money taken out of your contract — when done optimally, in accordance with Internal Revenue Code guidelines — is not regarded as taxable income, as opposed to income from a traditional IRA/401(k). You can also access your money tax-free using several different methods (like the loan mentioned earlier). And with industry laws and regulations that have been in place for more than 100 years, the money that accumulates inside of a life insurance policy does so tax-favored. Finally, when you pass on, the money in your insurance policy transfers to your heirs and beneficiaries completely

see ANDREW page 11

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She volunteers at the Utah Art's Festival, and at The Road Home. She is also passionate about supporting programs that promote education.

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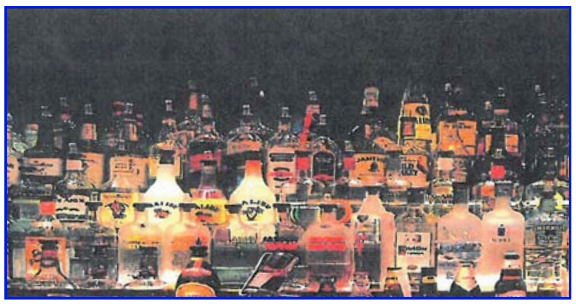

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